


CAN FEDERATION OF

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The end of labor is to gain
leisure.—Aristotle.

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ED Chaos Produced by Three Years Of Wage Cutting, Green Declares

GES President of A. F. of L. Says
Low Pay Causes Unemploy-
ment and Decreased Business
—Organized Labor Will Op-
pose All Pay Cuts and Fight
to Restore Former Wage

Washington—William Green, president of the American Federation of Labor, made a vigorous attack on wage standards which he contended constituted a living justification for pay slashes. He said that the standards "not only resulted in tremendous business losses, but also in the smaller buying power of wage and salary earners. The standards had added large numbers to the unemployed."

He declared that organized labor will not support the standards because it will use every opportunity to renege on its promise to do so.

Mr. Green said, in part:

Wage Standards Lowered

For almost three years the owners and managers of the country, with few exceptions, followed a destructive, but consistent policy of wage cutting. "Wage standards which had been established in 1934 have been lowered and as a result millions of workers have been forced to adjust their living standards upon a lower basis."

"Through this enforced policy of wage cutting imposed upon workers in

power has been destroyed and the manufacturing goods has been curtailed and restricted.

The loss in wages and salaries resulted in a reduction in the purchasing power for 1930 and 1931 amounting to \$1,000,000,000.

"We can properly speculate upon the effect which must follow a destruction of the purchasing power as is represented in these figures.

Low Wages Reduce Sales

It is presumed that reduction in wages of the manufacturing workers of cost of manufactured goods will be reduced. The prices of commodities will be less and the prices of commodities will be sold.

"What facts and what has actually happened? A reduction in the wages of steel workers was not followed by an increase in the sale of products nor was a reduction in the wages of miners followed by an increase in the sale of bituminous coal.

The same results have followed the reduction in the wages of workers in other lines of industrial production.

"Wage reductions and closed factories are correlated.

"Wage cutting has produced chaos, misery and unemployment and a decrease in the volume of goods sold.

Cost-of-Living Wages Unsound

"The argument that reduced wages were justified because of a decrease in the cost of living is fallacious and unsound.

"The facts show that the incomes of workers began to decline in September, 1929.

"This preceded a most slight and imperceptible reduction in living costs of about two months later, in November, 1929.

"From the peak month the workers' incomes have declined 54.2 per cent.

"Workers' losses in income have been more than twice what they gained through a reduction in the cost of living.

"The real buying power of workers in factories and on railroads now is only a little more than one-half what it was during the peak month of 1929.

Buying Power Destroyed

"What sort of an economic philosophy is it that permits employers and industrial management to assume that buying power can be stimulated and be made more active through a destruction of the power to buy?"

"Can" more goods be sold when people

are compelled to buy less. Can the market for the sale of goods consume and use more when the purchasing power of those who constitute the market is destroyed? Obviously, such an economic theory is contradictory and unsound.

Wage Cutting Injures Business

"Wage cutting has greatly injured the amusement and luxury industries.

forced the removal of thousands of telephones from thousands of homes and business offices, and curtailed the volume of business done by communication, transportation and public service industries.

"Wage reductions have enlarged the red side of the business ledger.

"They reduce all sort help, and...

High Wages Mean Prosperity

"Unemployment will be overcome, business will improve, economic stability will be restored when the owners and management of industry cease their

"When there is placed in the hands of the people an enlarged business system

"People cannot be employed when there is no demand for manufactured goods.

"There can be no demand for manufactured goods where there is no market.

"There can be no market when those who make up the market are unable to buy. The power to buy must be restored and this can only be done through the creation of employment and the payment of high wages."

Firm Opposition to Pay Cuts

"We shall protest and oppose wage

"We refuse to accept as final any reduction in wages imposed through force and as a result of economic pressure. If forced to yield to superior strength, economic or industrial, we will bide our time and when the first favorable opportunity comes we will strike back and fight with all our strength to restore

the wage rates and conditions which have been taken away."